

AMENDED IN SENATE APRIL 9, 2012

SENATE BILL

No. 1321

Introduced by Senator Harman

February 23, 2012

An act to add Section 100509 to the Government Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 1321, as amended, Harman. Essential health benefits.

Commencing January 1, 2014, existing law, the federal Patient Protection and Affordable Care Act (PPACA), requires a health insurance issuer that offers coverage in the small group or individual market to ensure that such coverage includes the essential health benefits package, as defined. PPACA requires each state to, by January 1, 2014, establish an American Health Benefit Exchange that facilitates the purchase of qualified health plans by qualified individuals and qualified small employers. PPACA defines a qualified health plan as a plan that, among other requirements, provides the essential health benefits package. Existing state law creates the California Health Benefit Exchange to facilitate the purchase of qualified health plans by qualified individuals and qualified small employers by January 1, 2014.

This bill would require the board of the California Health Benefit Exchange to determine the ~~average premium per enrollee or insured~~ *for total cost of benefits* for each health plan listed as an ~~optional essential health benefits benchmark plan option~~ in regulations adopted pursuant to PPACA. The bill would require that the plan with the lowest ~~average premium per enrollee or insured~~ *total cost of benefits* set the benchmark for items and services to be included in the definition of essential health benefits under PPACA. The bill would specify that its

provisions shall only be implemented to the extent consistent with regulations adopted pursuant to PPACA.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 100509 is added to the Government Code,
2 to read:
3 100509. (a) The board shall determine the ~~average premium~~
4 ~~per enrollee or insured~~ *total cost of benefits* for each health plan
5 listed as an ~~optional~~ *essential health benefits* benchmark plan
6 *option* in regulations adopted pursuant to Section 1302 of the
7 federal Patient Protection and Affordable Care Act (42 U.S.C. Sec.
8 18022). The board's determinations pursuant to this section shall
9 be posted on its Internet Web site and submitted to the Assembly
10 Committee on Health and the Senate Committee on Health.
11 (b) The health plan *under subdivision (a)* with the lowest ~~average~~
12 ~~premium per enrollee or insured~~ *total cost of benefits*, as
13 determined by the board under subdivision (a), shall set the
14 benchmark for items and services to be included in the definition
15 of essential health benefits under Section 1302 of the federal Patient
16 Protection and Affordable Care Act (42 U.S.C. Sec. 18022).
17 (c) This section shall only be implemented to the extent
18 consistent with regulations adopted by the United States
19 Department of Health and Human Services under Section 1302 of
20 the federal Patient Protection and Affordable Care Act (42 U.S.C.
21 Sec. 18022).